

AGENDA

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

July 27, 2004

**Aldermen Forest, Gatsas,
Osborne, Porter, Lopez**

5:30 PM

**Aldermanic Chambers
City Hall (3rd Floor)**

1. Chairman Forest calls the meeting to order.
2. The Clerk calls the roll.
3. Resolution establishing a trust fund and pay-as-you-go fund in 2006 from monies that would be available after payoff of the fiscal year conversion bonds.
Gentlemen, what is your pleasure?
4. Communication from Diane Prew, Director of Information Systems, requesting approval to allow the City of Rochester to purchase a copy of Manchester's Dog Licensing software subject to conditions stated.
Gentlemen, what is your pleasure?

TABLED ITEMS

A motion would be in order to remove any of the following items from the table for discussion.

5. Communication from Diane Prew, Information Systems Director, advising that the Mail Operation Committee met to review the proposals and as a result a new proposal from Pitney Bowes was received that the committee will be meeting shortly to review.
(Note: Memo from Diane Prew dated 7/21/04 attached.)

6. Report of the Committee on Administration/Information Systems recommending that the Board of Mayor and Aldermen provide funding for public access.
(Note: Tabled 6/14/04 pending meeting between MCAM, Solicitor and Finance to come up with agreement and bring back to next meeting.)
7. Communication from Barbara Vigneault, Elderly Services Director, advising of CMC's proposal to provide community and medical services at the new Manchester Senior Activity Center.
(Note: Tabled 6/14/04.)
8. Communication from Alderman Shea relative to procedures for citations.
(Note: Tabled 4/19/04 pending research to be done by City Clerk's Office with report back to Committee.)
9. Report from City Solicitor regarding requested language for charter amendment relating to internal auditor and primary elections, if available.
(Note: Solicitor still working on it and will report back at July meeting.)
10. Financial Restructuring proposal – response from Mayor, if available.
(Note: Mayor was requested to choose two departments.)
(Tabled 03/15/2004)
11. Communication from Alderman Osborne requesting the contract compliance issues noted in the management letter be referred to the Committee on Administration.
(Tabled 03/15/2004 pending review of management letter.)
12. If there is no further business, a motion is in order to adjourn.

City of Manchester New Hampshire

In the year Two Thousand and Four

A RESOLUTION

"Establishing a Non-Capital Reserve Account pursuant to RSA 34:1-a"

Resolved by the Board of Mayor and Aldermen of the City of Manchester as follows:

Section 1. Pursuant to RSA 34:1-a there is hereby established within the general fund a non-capital reserve account into which funds annually appropriated by the Board of Mayor and Aldermen shall be deposited. The Finance Officer shall segregate principal in the account from earnings realized from the investment of the balance in the account.

Section 2. Funds in the non-capital reserve account shall be placed in the custody of the Trustees of Trust Funds. Such funds may be deposited or invested in such a manner as is lawful for the deposit or investment of funds belonging to the City.

Section 3. The Board of Mayor and Aldermen may subdivide the balance in the non-capital reserve account to designate a portion or portions for a specific purpose or purposes subject to division (4) of this section.

Section 4. The Board of Mayor and Aldermen may appropriate the balance or a portion of the balance during the development of the annual budget subject to the following conditions:

- (A) The Board of Mayor and Aldermen may appropriate not more than ten percent (10%) principal, or any investment earnings thereon, for non-capital purchases for motorized equipment, technology or other assets with a five year life or less.
- (B) The Board of Mayor and Aldermen may appropriate an amount not to exceed seventy-five percent of the investment earnings from the prior fiscal year.

Section 5. No available balance in the non-capital reserve account shall be utilized for any purpose other than those authorized herein, without the specific approval of two-thirds of the Aldermen-elect.

Section 6. Resolved, that this resolution shall take effect upon its passage.

I believe to the Committee on Administration. Carol that kind of an issue, the resolution would go to the Committee on Administration, I believe?

Deputy City Clerk Johnson replied yes.

Mayor Baines stated so at some point in time we would take a motion to refer this to the Committee on Administration and we can continue some discussion if you want.

Alderman Thibault moved to refer to the Committee on Administration the establishment of a trust fund and a pay-as-you-go fund in 2006 from monies that would be available after payoff of the fiscal year conversion bonds. Alderman Lopez duly seconded the motion.

Alderman Porter asked when would this initial amount of money be appropriated? In the 2005 budget or the 2006 budget?

Mr. Sherman answered the 2006 budget?

Alderman Roy asked Randy, is there anything that would prohibit it being done in 2005 if funds were available?

Mr. Sherman answered not if funds are available.

Alderman DeVries asked Randy, the past several years it looks like since approximately 1998 we've been spending for those short term projects, it looks like about \$3 million a year? For the 5-year bonding? I'm on Page 24.

Mr. Sherman answered yes and keep in mind these are years that we issued the bonds. So this isn't one year and two years and three years, this is...there maybe be a couple of budgets in each one of these bonds. But you're right...

Alderman DeVries interjected where I'm headed is I see the trend that we spend about \$3 million a year on that, and then we have fiscal year conversion coming in, retirings, so 2006 there would be about \$3 million available. What I'm struggling with is what we're really asking the taxpayers is to continue the tax rate basically flat assuming they continue to pay the \$3 million and that we put it into a very wise and very fiscally sound plan for the future. But I just would like to see when this comes through at committee, I'd like to see what the affects would be for the tax rate should we choose not to go this way and instead choose to do the right thing, rather than increase spending, but to use this to replace prior spending for short terms projects. To see the comparative of what that is going to do with our tax rate, because it is a difficult decision that we will have to make. It is a



**City of Manchester
Information Systems Department**

100 Merrimack Street
Manchester, New Hampshire 03101-2210
Phone (603) 624-6577
Fax (603) 624-6320
www.ManchesterNH.gov

Diane S. Prew
Director

July 21, 2004

Board of Mayor and Aldermen
Committee on Administration/Information Systems
One City Hall Plaza
Manchester, NH 03101

RE: Dog Licensing Software

Honorable Members:

The Information Systems Department has received a request through the City Clerk's Office from the City of Rochester, New Hampshire for a copy of our Dog Licensing software. The Dog Licensing software being used by the City Clerk's Office was developed in house by the staff of the Information Systems Department. It is therefore the property of the City of Manchester.

The City Clerk and the Information Systems Department would like to provide the software for use by the City of Rochester under the following conditions:

- There would be little or no support for the software. The Information Systems Department does not have the resources to provide support to organizations outside of the City of Manchester.
- The City of Rochester will pay for costs associated in preparing the software for use by the municipality.
- This will be a one-time transaction for the City of Manchester with no further commitment to the City of Rochester.

We have reviewed the legal aspects of this request with the City Solicitor's Office and have developed an "Agreement for Acquisition and Use of Software Developed by the City of Manchester, NH" that is acceptable to the Solicitor.

We are requesting approval of the Board of Aldermen for this transaction.

Sincerely,

Diane S. Prew
Director Information Services

CC: Leo Bernier, City Clerk



**City of Manchester
Information Systems Department**

100 Merrimack Street
Manchester, New Hampshire 03101-2210
Phone (603) 624-6577
Fax (603) 624-6320
www.ci.manchester.nh.us

10/7/03 - Tabled
11/18/03 - Remained
tabled.
Diane S. Prew
Director
2/18/04 - "
3/15/04 - Remained
Tabled
4/19/04 - "
6/14/04 - " "

October 1, 2003

Committee on Administration/Information Systems
C/O City Clerk
One City Hall Plaza
Manchester, NH 03101

RE: Mail Operations Committee

Dear Committee Members:

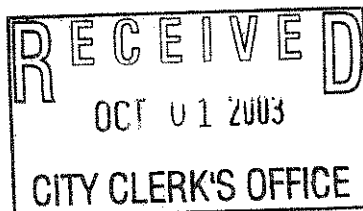
The Mail Operation Committee met to review the proposals submitted by Pitney Bowes and FORMAX. Numerous issues were discussed. Technical personnel met with William Lustig at Pitney Bowes on September 4th to see a demonstration of the proposed equipment and discuss technical issues. Based upon our meeting with Pitney Bowes, Mr. Lustig submitted a new proposal to the City. This proposal was received on September 22nd. The Committee will be meeting shortly to review this proposal.

We will keep you informed of our progress.

Sincerely,

Diane S. Prew

CC: Joan Porter
Frank Thomas
Tom Bowen
Matt Normand
Tony Schaffer



5



**City of Manchester
Information Systems Department**

100 Merrimack Street
Manchester, New Hampshire 03101-2210
Phone (603) 624-6577
Fax (603) 624-6320
www.ManchesterNH.gov

Diane S. Prew
Director

July 21, 2004

Board of Mayor and Aldermen
Committee on Administration/Information Systems
One City Hall Plaza
Manchester, NH 03101

RE: Mail Operations Committee

Honorable Members:

The Mail Operation Committee spent extensive time reviewing the proposals submitted by Pitney Bowes and FORMAX. Technical personnel met with William Lustig at Pitney Bowes to see a demonstration of the proposed equipment and discuss technical issues.

The Committee has concluded that the City is best served by the existing mailing process for the following reasons:

- We already have the functionality being proposed. We have software that allows us to customize the format of the bills. There would be additional costs associated with the City replacing existing software.
- The mail service handles the whole mailing process for us. They keep abreast of postal regulations. They do all the checking of address corrections and get us lowest postal rates.
- Proposed equipment can handle about 1,000 pieces of mail per hour. We print about 30,000 tax bills twice a year. The process with the proposed equipment would take about 40 hours to complete assuming that the equipment doesn't breakdown. (We would also have to be able to process the utility bills during this time – that could mean overtime). We print 30,000 tax bills in about 9 hours and have numerous backup printers. The mail service also has multiple pieces of equipment.
- There would be no savings on forms since perforations and back printing are needed in either case.
- There would also be ongoing costs for equipment maintenance. There would be space requirements and staffing considerations.

5

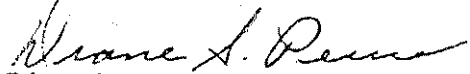
July 21, 2004

Page 2

In September of last year Pitney Bowes submitted a second proposal to centralize mailing in City Hall. After review of that proposal it was concluded that there were minimal savings because of existing leases plus space considerations for location of the equipment and staffing issues. We are recommending that the mail service be considered for use by the Ordinance Violations Division to assist with their current backlog of work. Handling mail is labor intensive and in this instance, outsourcing the mailing process will free the current staff to catch up on other duties.

Please let me know if you require more detailed information.

Sincerely,



Diane S. Prew

Director Information Services

CC: Joan Porter
Frank Thomas
Tom Bowen
Matt Normand
Tony Schaffer

5

6/14/04 - MCAM to
meet with Solicitor &
Finance to come up
with agreement and
bring back to next
meeting.

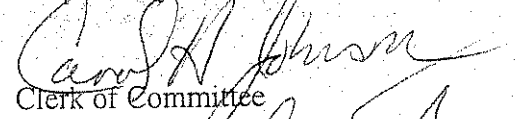
To the Board of Mayor and Aldermen of the City of Manchester:

The Committee on Administration/Information Systems respectfully recommends, after due and careful consideration, that that the Board of Mayor and Aldermen provide funding for public access as follows:

- Appropriate \$90,685 to MCAM
- Place two employees currently under MCTV under the appropriate city department to be determined at the discretion of the Human Resources Director with funding in the amount of \$106,115.37
- That \$400,000 of the current separate fund be transferred to a fund for MCAM to be utilized under the discretion of the Board of Mayor and Aldermen
- That the MCAM Board as presently constituted be designated as the City's community access Board
- That such individuals transferred from the School Department to the City Department be transferred with no loss in retirement, salary or other benefits

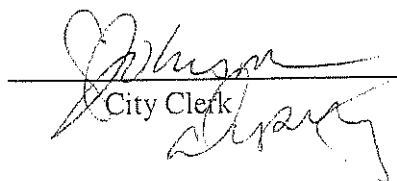
The Committee notes that it has requested that the City Solicitor, Finance Department and Human Resources Director work with the MCAM Board to provide preliminary information to the Board at its meeting regarding the general feasibility of this proposal, along with any major issues they believe need to be addressed to the Board of Mayor and Aldermen at this time.

Respectfully submitted,


Clerk of Committee

June 2, 2004.

In the Board of Mayor and Aldermen/Committee on Finance, on motion of Alderman Garrity, duly seconded by Alderman Shea, it was voted to refer the report to the Committee on Administration/Information Systems.


City Clerk



CITY OF MANCHESTER

Office of the City Clerk



Leo R. Bernier
City Clerk

Carol A. Johnson
Deputy City Clerk

Paula L-Kang
Deputy Clerk
Administrative Services

Matthew Normand
Deputy Clerk
Licensing & Facilities

Patricia Plecuch
Deputy Clerk
Financial Administration

MEMORANDUM

To: Thomas Clark, Solicitor
Kevin Clougherty, Finance Officer

From: Lisa Thibault, City Clerk's Office

Date: June 16, 2004

Subject: Committee Action

Please be advised that at a meeting of the Committee on Administration/Information Systems held on June 14, 2004 it was voted to have MCAM meet with the Solicitor's Office and Finance Office to come up with an agreement and bring it back to the Committee at their next meeting.

The Committee on Administration/Information Systems is tentatively scheduled to meet on Tuesday, July 27 at 5:30 PM.

6

Public, Education & Government Access Separation Proposal



Manchester Community Access Media Inc. CHANNEL 23

PROPOSED RE-STRUCTURE:

MCTV = Channels 16 and 22
Education & Government Access
MCAM = Channel 23
Public Access

MCTV = maintain **four** employees
MCAM = maintain **two** employees

MCTV = administered by School District
MCAM = administered by non-profit Board of Directors

MCTV = operation budget submitted by MCTV
MCAM = operation budget submitted by new Board

MCTV = located inside the School of Technology
MCAM = located in a separate downtown location

Reasons for Proposed Separation & Autonomy

INSUFFICIENT SPACE at the Manchester School of Technology

- Public Access is **not** available during the day or weekends.
- With a separate Public Access studio, the MCTV studio will be used during non-school hours by students, teachers and school & city staff, including police and health dept for education and production.

INSULATION FROM LIABILITY

- A non-profit entity provides insulation for the city government in the area of program content and producers actions.
- Make the School of Technology more safe and secure from uncontrolled public intrusion.

USE RESOURCES MORE WISELY

- Relieves School Administration from the burdens of Public Access.
- Opens up more educational and municipal opportunities at the MCTV studio for education, training, and production.
- Volunteer Public Access Board of Directors will assure that the use of access resources are responsive to the community's needs.

Public, Education & Government Access Separation Proposal



Manchester Community Access Media Inc. CHANNEL 23

REQUESTED ACTION STEPS

1. MCAM Needs Full Funding.

The Mayor's 2005 Budget allocated \$120,000 for the Public Access Component (under Non-Departmental, Non-city Programs); the request was for \$191,560. MCAM requests full funding to begin operations.

2. Formal Access Provision Designation.

Currently the School Board is the PEG (Public, Education, & Government) Access provider. In October 2003, that Board unanimously voted to eject the Public Access provision. MCAM needs to be formally designated as the Public Access Provider for Manchester until 2015 (the length of the cable franchise agreement).

3. Transfer of \$300,000 Equipment Funding Grant to MCAM, Inc.

In 2003, the City of Manchester agreed to an extension of the cable franchise agreement which included a \$300,000 grant designated for equipment purchase.

4. Commitment from the City of Manchester

The MCAM Board of Directors are a group of volunteer citizens chosen by the Mayor to facilitate the First Amendment obligation of Public Access media as described in the 1984 FCC Communications Act. Free speech works best when it is not encumbered or held accountable to the political winds of change.

In accepting this responsibility we request guaranteed funding for at least five years (at the 2005 request + inflation) or 17.45% of the cable franchise revenues, as is the *spirit* of the '84 Federal Act.

2004 Cable Franchise revenues to the City: about \$1,100,000

2005 Public Access Funding Request: \$ 191,560



CITY OF MANCHESTER

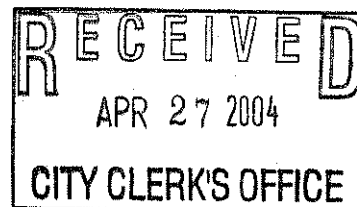
Elderly Services Department

66 Hanover Street
Manchester, New Hampshire 03101
(603) 624-6533 • Fax (603) 628-6159
Email: elderly@ci.manchester.nh.us



6/14/04-Tabled

April 5, 2004



Board of Mayor and Aldermen
One City Hall Plaza
Manchester, NH 03101

Dear Members of the Board,

On March 10th CMC made a presentation in a special meeting of the Elderly Services Commission. Attached is a copy of their proposal to provide community and medical services at the new Manchester Senior Activity Center. Also attached is a copy of the Elderly Services Commission's recommendation as well as my recommendation to the Board.

I have addressed some background information and have made recommendations about the proposal based on advice from the Elderly Services Commission and senior needs.

Any fees for service relative to CMC's proposal does not include any monies paid to the City or reimbursements for space usage or rental. This proposal would be an agreement to provide services in exchange for space and participant exposure. In considering other future programming plans, fees for services, sliding fee scales, rental agreements, or enterprise arrangements would have to be approved by the Board of Mayor and Aldermen.

Thank you for your consideration.

Respectfully submitted,

Barbara Vigneault, Director
Elderly Services Department

Cc: City Solicitor's Office - Tom Arnold
Elderly Services Commission

IN BOARD OF MAYOR & ALDERMEN

DATE: May 4, 2004

ON MOTION OF ALD. Lopez

SECONDED BY ALD. Shea
refer to the Cmte. on

VOTED TO Administration/Info. Systems.

CITY CLERK

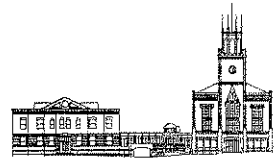
7



CITY OF MANCHESTER

Elderly Services Department

66 Hanover Street
Manchester, New Hampshire 03101
(603) 624-6533 • Fax (603) 628-6159
Email: elderly@ci.manchester.nh.us



Director's Recommendation On CMC's Proposal for Senior Services At the Manchester Senior Activity Center April 2, 2004

Background Information:

Manchester's Senior Population is on the increase. There are 17,417 people over the age of 60 living in Manchester. In another 15 years that number will double, with the growth of the "baby boomers." Not only is the elderly population growing in numbers but the years that one is a "senior" is expanding to as many as 40 years or more. And the fastest growing segment of the elderly population is in the very old, 85 years and over.

This means many things in planning for the vitality of Manchester's population. The needs of the elderly are varied. Quality of life issues are important in meeting these needs. In order to have a good quality of life one needs to have the basics met, housing, income, transportation, socialization/recreation, health and protection. Ignoring one basic need can mean crisis for an individual.

The Elderly Services Department's mission is to "Prevent Isolation." Isolation is one of the major problems facing the senior population. Not only is it a problem for the individual who is the victim of such a situation, but the social service provider is unable to assist, unable to find the individual or discover the need before a crisis situation develops. Isolation can be a slow process with an individual staying at home more because of mobility issues or grief issues or loss of the social connection. Families can be distanced.

Because the mission is to "Prevent Isolation" the new Manchester Senior Activity Center should address all areas of need for a holistic approach, insuring a quality of life that is vital and good. Not only should health issues be addressed, but issues relative to all afore mentioned.

For many years the Elderly Services Department has addressed the various needs by hosting other agencies and programs services, coordinating with these agencies, and developing and implementing community programs to meet those needs. The needs are no surprise. Community focus groups, surveys and studies, tasks force groups and committees have bent to the task of identifying the needs. It's the resolution in meeting these needs that is difficult. Financial resources are limited, while the demand for human services is high. Resources must be tapped to economically and efficiently meet the challenges. The issue is about looking at the resources and finding innovative ways to harness those resources and maximizing them to meet the needs. It is necessary to look at what is available and expand on those services, enhancing the area of expertise, and making those services accessible, optimally "convenient." So we must look at who are the experts in these fields, understand what do they do, and enhance and collaborate to make the most out of the services and resources we collectively have. New programming will spring out of this coordination and collaboration.

CMC's Proposal:

CMC has a long history of providing services to Manchester's senior population. In fact it was the first hospital in this area to address community health needs with direct services for the senior population via the establishment of the Great Day Program. As acknowledged by the hospital, Community Services is not an income-producing program for the Organization. Community Services is an investment in the community, making strides in health care improvements. At the same time the hospital is providing Community Services, educating the public on health care, it is advertising and promoting its Organization as the provider of other medical in-house health services. The community and the Hospital are the winners in this relationship. Again one can see how coordination and collaboration can result in new programming and partnerships that can benefit all.

CMC's proposal offers a package which includes Community Services (a branch office of Prime Time expansion, educational classes, physical therapy and rehabilitation and exercise programs, and Medical (in-house health services through it's in-house Geriatrician practice, medical clinics and expansion of the Great Day Program). It is important to

7



CITY OF MANCHESTER

Elderly Services Department

66 Hanover Street
Manchester, New Hampshire 03101
(603) 624-6533 • Fax (603) 628-6159
Email: elderly@ci.manchester.nh.us



consider that CMC and the community must both be "winners" in this partnership as explained previously. Cost to operate activities is a reality that must be considered in this proposal.

CMC has requested an "exclusive" agreement. This is opposed to past philosophies and practices of coordination and collaboration with area agencies. Manchester Senior Activity Center is a public facility and should not be restrictive in hosting programming. Hosting programs is not a new idea. This has been something that the East and West Side Centers have done over the years. Organizations such as the Visiting Nurses, St. Joseph Community Services, Southern NH Services, UNH Cooperative Extension, NH Legal Assistance, CMC, Elliot, Easter Seals, Independent Living, MHRA, MTA, Senior Companion Program, Caregivers, Inc., NHDEAS, NH Catholic Charities, Social Security Adm., Access Manchester, Police Department, Fire Department, Welfare, Tax Collector, Assessors Office, all have participated in presenting information, programming, and services to the participants of both East and West Side Senior Centers. Space and parking limitations have made it difficult to expand on this economically wise and innovative concept. With the larger facility, the Center will be able to offer more programming, hosting and scheduling than with current space limitations. However, the 15,000 square feet of space can get devoured quickly in rental or privatization of space agreements.

CMC is considering fees for some services in their proposal. In the past organizations have charged fees for some services that were set by the provider to cover minimal costs. In an effort to keep costs at a minimal for the senior population, there have been no fees generated by the City from programming or membership previously. With the new Center comes the reevaluation of this mindfull decision. Enterprise or fee structures would be a Board of Mayor and Aldermen elective.

Recommendations:

I recommend that CMC's proposal be accepted, in part, to coordinate and collaborate with the City of Manchester in providing services to the senior population. The Community Services portion of the proposal fits with the mission statement of the Elderly Services Department. Educational programs, health promotion programs, programs offered by Prime Time and exercise programs such as aerobics and strength training offer an excellent opportunity to keep people a part of the community and fit into the social component.

The Medical portion of the proposal offers a Geriatrician's practice to be housed in the facility. This is the part of the proposal that does not fit the mission statement. This is very different from having a physician come to the facility to offer medical evaluations, presentations, or clinics, which I believe would be a great benefit to the social aspect of the Center. The Great Day Program offers services in these areas. This is the Medical component that I feel would be appropriate. But a physician practice is limiting with private doctor/patient relationships. It would put demands on space and parking requirements that inhibit other programming and utilization of the Center. This would require an "RFP" process in a public facility, to ascertain whether other hospitals in the area had a similar interest.

CMC has asked the City for a commitment for continuous use of space and to be the sole provider. I recommend the City not offer exclusivity. I recommend the City offer an agreement, similar to the agreement that the City has currently with St. Joseph Community Services for the Congregate Meal Program. The Center would be "hosting" CMC's programs, offering space and visibility to seniors, which has a significant value. This arrangement makes it a "win" situation for both parties and for the seniors of Manchester. If the Board of Mayor and Aldermen accepts this recommendation, CMC will be asked to provide the agreed on programs and services.

Again, this is not a Senior Health Center. It is the Manchester Senior Activity Center. The Center needs to address all basic needs to be true to the mission of the Department, meeting the defined needs of the senior population. The Elderly Services Department's objective is to utilize existing resources, expanding and enhancing services to meet the goals of the mission statement, to "Prevent Isolation."

This recommendation concurs with the advisory report of the Elderly Services Commission.

Respectfully submitted,

Barbara Vigneault, Director
Elderly Services Department

Cc: City Solicitor's Office – Tom Arnold
Elderly Services Commission

Friday, November 7, 2003

Honorable Mayor Robert Baines
Manchester City Hall
One City Hall Plaza
Manchester, NH 03103

Dear Mayor Baines:

Catholic Medical Center is very pleased that the community's senior residents will have access to a new, convenient Senior Activity Center in the near future, and we are equally pleased to submit for your consideration a proposal to expand the services available to the City's participants at no additional cost.

Our proposal to you, I personally believe, provides a win/win situation for all. CMC will provide an on-site geriatric physician practice, free medical clinics and education programs in exchange for the city's commitment to CMC for free use of space.

First, let me explain CMC's long term commitment to senior citizens. Long before the term "geriatrics" became popular in target marketing, Catholic Medical Center was one of the largest providers of health care to people over 65 years of age. In fact, CMC cares for more senior citizens on an in and outpatient basis than any hospital facility in Central and Southern New Hampshire. Our focus on programs and services geared to the aging population expands beyond cardiac, orthopedic, and oncological care to include health promotion and sickness prevention, education and wellness.

CMC was the first hospital in New Hampshire to offer inpatient rehabilitation programs and still has one of the largest services in the state. Certainly you recognize our long-term investment in Prime Time, the Center for Healthy Aging, and in the Great Day program, a clinical service which provides free care to seniors. Many of our callers to the free Ask A Nurse program are elderly, and we've been a partner with Easter Seals to provide Senior Link.

That commitment was further expanded with the development of the Memory Disorders Screenings and services offered jointly with Easter Seals and the Greater Manchester Mental Health Center last year. And a double-boarded internist/psychiatrist from GMMHC, now practicing at CMC, has enabled our expansion into gero-psych services at the hospital.

Each year, CMC staff, physicians and board members specifically discuss ways in which our community services commitment can be strengthened to benefit more community

100 McGregor Street, Manchester, New Hampshire 03102-3770
phone 603.668.3545 fax 603.668.5348

members. With the construction of the new senior activity center, we believe we can benefit even more community members for free or at very little cost.

Our proposal is simple. In exchange for a commitment to us for continuous use of space and as the sole medical provider on site, we will provide the following services:

Medical:

1. CMC will place a physician specializing in care to the elderly in the senior center.
2. Expansion of Great Day services to the senior center campus. Through our free medical program to the elderly, Great Day provides regularly-scheduled clinics on specific medical topics, and offers services such as free flu shots, blood pressure checks, etc. Great Day will be staffed by a nurse practitioner and/or registered nurse.
3. Medical evaluation clinics. On a regularly scheduled basis, CMC will hold medical evaluation clinics, such as the memory disorder clinic (a joint effort with Easter Seals and the Mental Health Center), women and heart disease, peripheral vascular disease clinics, etc.

Health Promotion:

1. CMC will open a branch office of Prime Time at the senior activity center, making immediately available all classes, activities and educational programs.
2. As space allows, CMC will own and operate at that location a physical therapy, rehab and exercise program.
3. CMC will schedule allied health professionals to offer advice and recommendations on such topics as nutrition, pharmaceuticals, quitting smoking, etc.

Education:

1. CMC will make available at the senior activity center, a combination of activities and educational programs of interest to the general audience.
2. Classes will be offered on medical and health topics, but will also include such programs as financial health, spiritual health and family health.

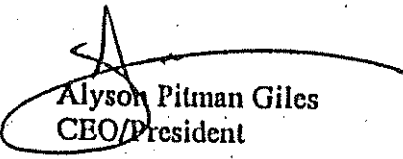
Mayor Baines, I believe there is unlimited opportunity for CMC through its many professionals and programs to offer a great value to the participants at the Senior Activity Center. It is not only our honor to do so, it is also our community responsibility. And the senior population is the population we serve within our walls every day of the year.

I am also happy to provide a \$25,000 pledge in support of this great new service to the senior citizens of Manchester.

Once you've had the opportunity to digest our proposal, I'd enjoy the opportunity to discuss this with you further. I am on vacation until November 20th, so I will ask Darlene Stromstad to follow up with a phone call to you within a few days. In the meantime, if you'd like to speak to her please feel free to call her at 663-2027.

As always, I appreciate your time and support.

Sincerely,



Alyson Pitman Giles
CEO/President



CITY OF MANCHESTER

Elderly Services Department

66 Hanover Street
Manchester, New Hampshire 03101
(603) 624-6533 • Fax (603) 628-6159
Email: elderly@ci.manchester.nh.us



March 22, 2004

ELDERLY SERVICES COMMISSION ADVISORY REPORT

CMC'S Proposal for Services at the new Senior Activity Center.

TO:

Barbara Vigneault Director
Elderly Services
City of Manchester, NH
66 Hanover St
Manchester, NH 03101

FROM:

Elderly Services Commission, City of Manchester



CITY OF MANCHESTER

Elderly Services Department

66 Hanover Street
Manchester, New Hampshire 03101
(603) 624-6533 • Fax (603) 628-6159
Email: elderly@ci.manchester.nh.us



Director Vigneault;

On behalf of the Elderly Services Commission, we present this "Advisory Report" to advise a course of action that will assist your department in reaching and maintaining its goals and mission statement for the new Senior Activity Center.

RE: CMC'S Proposal of Services / New Senior Activity Center.

The following information is based upon review of written documents, oral presentations and the training and experience of commissioners who work with seniors on a daily basis. The advice and conclusions we offer are unanimous.

The written and oral presentation as offered by Catholic Medical Center, should be divided into three (3) separate proposals, in lieu of "one whole package".

- 1) Geriatric Physician's practice
- 2) Medical rehabilitation, therapy and exercise facility.
- 3) Educational programs, i.e.; social, medical, financial to include services of PrimeTime and Great Day Programs.

1.

The offer by CMC to provide a geriatric physician at the new Senior Activity Center brings forward a variety of very complex legal and ethical issues. Although a very generous offer by CMC, we conclude that a physician's office / practice does not meet or fit into the department's mission statement or sole purpose it exists, which is to prevent isolation. The statement of having a physician "on-site" will attract seniors to the activity center is contrary to what really occurs. Interviews of seniors, and observations of other facilities that offer a similar co-existence, will show that seniors DO NOT want or wish to mix education, socialization and exercise with a doctor's visit.

The space requirements, (approx. 800 sq. ft) of dedicated space, along with staff and patient parking, access and use restrictions, would not be a benefit to the department at this time.

Until such time that the new center is built and occupied, space restrictions or designated use, cannot be fairly assessed or offered on a "permanent basis".

Should at some point, seniors citizens, staff and professionals in the field of senior social services, see the need to "re-structure" the Activity Center into a medical center, there are numerous legal issues that

7



CITY OF MANCHESTER

Elderly Services Department

66 Hanover Street
Manchester, New Hampshire 03101
(603) 624-6533 • Fax (603) 628-6159
Email: elderly@ci.manchester.nh.us



should be addressed prior to any commitments; i.e.; leases, liabilities. Further, this type of service / offer should be clearly articulated in an "RFP", to insure the department's and senior citizens' issues are addressed.

The Commission unanimously advises **"against"** the proposal of having a geriatric physician's practice on-site.

2.

The second part of this proposal, medical rehabilitation, therapy and exercise fits closer to the goals and objectives of your department than a physician practice. However, medical rehabilitation and therapy would require a large dedicated use of space, and specialized trained staff to monitor and administer the rehab and therapy. These two types of programs follow the path of a medical center, and require a large commitment of space and finances from both entities.

Should medical rehabilitation and therapy wish to be pursued, the commission advises that these types of programs must and should follow the established "RFP" process. Further, the space needs or space availability cannot be determined until after the new facility is built and occupied.

Exercise programs, (tia chi, yoga, aerobics etc.) are highly encouraged to be a regular feature at the new center. This type of program does not require dedicated use of space, or purchase of specialized equipment and can be offered as much or as little as needed based upon the demands of the seniors.

The commission unanimously advises **"against"** the proposal of having a medical rehabilitation and therapy center at the new facility at this time.

The Commission unanimously advises **"for"** the implementation of these types of exercise programs and strongly advise your department to "Host" these types of programs that are offered by other entities.

3.

Educational and fitness programs, seminars, workshops, health evaluations, etc., are programs that not only meet or fit into the departments goals, but also enhance and promote the department's mission statement.

The commission unanimously advises **"for"** the implementation of these programs into the curriculum. Utilizing selective programs that are offered by PrimeTime and the Great Day Program is of mutual benefit to both entities. In addition, neither entity will be negatively impacted with financial, legal or space issues.

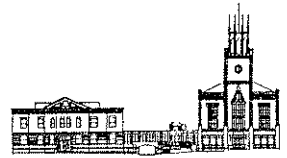
7



CITY OF MANCHESTER

Elderly Services Department

66 Hanover Street
Manchester, New Hampshire 03101
(603) 624-6533 • Fax (603) 628-6159
Email: elderly@ci.manchester.nh.us



Summary

With the new Senior Activity Center, comes the need for "new" direction and focus. The Commission advises that hosting other entities' programs in the Senior Activity Center, on a scheduled and needed basis, will not only be cost effective, but will also maximize the use of available space without restrictions.

Educational and fitness programs such as workshops, seminars and presentations (medical, social & legal) can and should be scheduled on a "regular" and frequent basis. Any program that may require a "fee" should be structured so that **no one** is excluded from the services or programs.


The Commission also advises that any entity wishing to sponsor a Senior Citizen related program at the Senior Activity Center be encouraged to do so. This gives our seniors "choices" and helps promote self-empowerment. Further, we advise that **no "one" agency, organization or program should be allowed exclusive use, dedicated space or access to the facility, without having been approved through a City RFP process.**

The commissioners also advise that the area hospitals be afforded the opportunity to display or distribute their "senior" related news letters or papers within the center, promoting issues and topics that help prevent isolation and promote well-being.

This advisory report is submitted to you, so that "we" as the Elderly Services Department can bring the best service and programs available to our senior citizens. The Commission looks forward to your response and position in this matter.

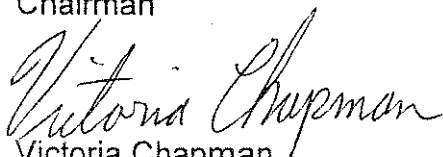
Please forward CMC'S proposal, minutes of our "Special Meeting", this report and yours to the City Solicitor and the Board of Mayor and Alderman.

Respectfully submitted,


Jeffrey A. Bolduc
Chairman


Mary Anne Toten M.D.


Ronald Boisvert


Victoria Chapman
Secretary


Koni Farr

7



CITY OF MANCHESTER

Board of Aldermen



Memo To: Board of Mayor and Aldermen

From: Alderman William P. Shea

W. P. Shea

Date: March 16, 2004

Re: Procedures for citations

Several City departments issue citations for various offenses. It appears to me that in some instances there is no follow up on payments, and many times the result is a lack of addressing the offense for which the citation was issued.

I am requesting that this issue be referred to the Committee on Administration so they can meet with the various departments that issue citations, such as Building, Health and Highway, to explore alternatives to better address this enforcement process.

IN BOARD OF MAYOR & ALDERMEN

DATE: March 16, 2004

ON MOTION OF ALD. Shea

SECONDED BY ALD. DeVries

refer to the Committee on
VOTED TO Administration/Info Systems.


John Bernier
CITY CLERK



CITY OF MANCHESTER

Office of the City Clerk

4/19/04 - copy of letter
to City Clerk's office to
research & report back
in May or June.



Leo R. Bernier
City Clerk

Carol A. Johnson
Deputy City Clerk


Paula L-Kang
Deputy Clerk
Administrative Services

Matthew Normand
Deputy Clerk
Licensing & Facilities

Patricia Piecuch
Deputy Clerk
Financial Administration

MEMORANDUM

To: Leon LaFreniere, Building Commissioner
Fred Rusczek, Health Officer
Frank C. Thomas, PE, Public Works Director

From: 
Leo R. Bernier
City Clerk

Date: March 17, 2004

Re: Procedures for Citations

Please be advised that in action taken by the Board of Mayor and Aldermen at a meeting held on March 16, 2004, it was voted to refer the enclosed communication from Alderman Shea to the Committee on Administration/Information Systems so they can meet with the various departments that issue citations to explore alternatives to better address this enforcement process.

It is anticipated that this item will appear at the next committee meeting tentatively scheduled to be held on April 27, 2004.

Enclosure

Shall the municipality approve the charter amendment summarized below?

To amend the city charter to provide that the ballot for the municipal primary election shall list all candidates for office even if there is only one candidate for a municipal office and that the ballot for the municipal primary election shall provide the opportunity to write in candidates for all municipal offices.

SECTION 5.07 PRIMARY SYSTEM.

~~(a) In the event, two candidates or fewer, or in the case of at-large aldermanic and school committee elections four candidates or fewer, file for an elected office, the primary election for said office will be declared unnecessary by the city clerk, who shall then declare the candidates nominated and place them upon the municipal general election ballot.~~

(a) There shall be a municipal primary election for all municipal offices conducted in accordance with Section 5.03

(b) In each primary election, the two candidates, or four candidates in the case of an at-large aldermanic and school committee elections, receiving the highest number of votes shall be selected from those running for said office and shall be placed on the general election ballot.

SECTION 5.32 BALLOTS.

(a) *Preparation by city clerk.* The city clerk shall prepare sufficient official and sample ballots and all related material for use at the municipal primary election and municipal general election.

(b) *Format.* The ballot position for candidates in each of the elective offices in the city shall be alphabetical by surname. The ballot for the municipal primary election shall list all candidates for municipal office.

(c) *Delivery.* The ballots shall be delivered to the moderator or other officer in charge of the election within one (1) hour of the election.

(d) *Write in votes.* All ballots shall make provisions for write in votes for all municipal offices. If a candidate receiving write in votes qualifies as a winner of a primary or general election, that candidate shall be included on the general election ballot or declared elected as if qualified under the other provisions of this charter, if otherwise qualified to hold the office.

Mr. Tellier asked \$30,000 and \$40,000? \$30,000 and \$45,000?

Chairman Pro-Tem Gatsas stated \$30,000 and \$45,000.

Alderman Lopez stated I could go along with that. Do you want to wait on the Veteran's numbers?

Chairman Pro-Tem Gatsas answered yes I think we ought to wait and package them all together so that we are on the same page.

Alderman Lopez asked do we have a time limit for them to do this?


Mr. Tellier stated we'll get this out within the next couple of weeks and you'll have it...possibly we'll get this to you within a week and it will give you time to do some your own investigation on what you think budgetary considerations, for the next meeting. You already everything you need on the Veteran's, so what we're expecting to do is bring the exemption information back to you.

Chairman Pro-Tem Gatsas stated put the Veteran's on the same sheet so that we're looking at everything before us.

Mr. Tellier stated we will duplicate it again.

On motion of Alderman Osborne, duly seconded by Alderman Lopez, it was voted to have the Board of Assessors work up their numbers on the income and asset limits for elderly single and married couples, using \$30,000 for single and \$45,000 for married couples, along with the Veteran's credits report back to this committee and to table this item pending the report.

Chairman Pro-Tem Gatsas addressed Item 3 of the agenda:



Communication from Alderman Lopez suggesting the Board refer two Charter Amendment questions to the Committee on Administration for review and report back to the Board.

Alderman Lopez stated this is regarding the internal audit that we testified before the Charter Commission that we wanted to change it.

Finance Officer Kevin Clougherty stated just a little bit of background. In the early 1970's in the City of Manchester, there were two separate positions. There was a City Auditor position and that position would carry out what you would normally associate with an auditor. And there was a City Treasurer position,

which was a separate position and they carried out a treasury function. The City of Manchester went up and got special legislation passed that took the Auditor position, the Treasurer position and put them into one position called a Finance Officer, which also had under State law, control of functions. So that passed in chapter law, came down and got passed as part of the Charter down here, so since the 1970's the Finance Officer for the City of Manchester is the auditor, comptroller and treasurer. Now ever since I've been here we've been going before the Charter Commissions and internal reorganization committees of the Board to say that doesn't sound like the best mix of functions that you want to have. That you should separate out at the very least the audit function so that it's done independently. Now we've never been able to get that passed. So I remain somewhat of a conflict in these three functions. Now the way that we've handled it internally is, we have a separate treasury function, we have separate comptroller operation and we have an internal auditor who carries out the audit functions, and as you know as you heard last night, we have an external audit performed by an independent contractor. What is recommended here is to try and take that audit function and make it really make it a legislative function that should, in my opinion, report to the Aldermen. Then you'd have the comptroller like you have in the State. You have a Commissioner of Administration then you have your Treasurers, which are more of an administrative function that reports to the Mayor. The thinking is to try and back to the checks and balances. Just like in the Federal government you have the congressional budget office is a congressional function. It's a legislative function, to make sure that policies are working. That's where the audit. At the State, the State Auditor, the LBA, works for the legislature. Doesn't report to the Governor, just like the General Accounting Office doesn't report to the President. It's a legislative function. So on the municipal level we tried to see if that can be done. So I'm not opposed to realigning this, I'm not opposed to having it straightened out in the Charter, my problem is is the way that it's worded doesn't quite get you there. What you've got proposed is that you take what we've created an Ordinance called the Internal Auditor and did that. If you did that, I would still remain under statute and under Charter, the City Auditor. So I think you really have to get the basic problem. It is the intent of the Board that you want to take more of a turn towards the legislative function and more of a separation. I'd like to recommend that you refer the questions to the City Solicitor so that we could get that wording straight to make sure that the function is separated totally the way it should be. So you're not left with an internal audit function and I'm still the Auditor, and you've got even more conflict than you have now.

Alderman Lopez stated that was what the intent was. To take the Auditor position out of Finance...

Mr. Clougherty interjected not the position, Alderman. The position isn't the issue. It is the function. I have the functional responsibility and under this proposal you're dealing with the position, so that's why I'd like to have the Solicitor look at it so if you want to move on it, at least its worded properly.

Alderman Lopez stated that's correct and I would send it to him so the right wording could be appropriated, so it would be a Charter amendment. And I realize it is not in the proper form here.

Mr. Clougherty stated and I think you probably lifted that from the Charter Commission this year, who didn't get it right. Even though we tried to explain it a couple of times. It was a good effort and we appreciated it, but it didn't quite get you to where you want to be, I don't think.

Alderman Lopez stated that's the intent is both of these Charter amendments to go the City Solicitor to put the right terminology that we want to amend, which is the auditor. And the second thing in reference to the amendment to the City Charter was a lot of people did not see the names of the candidates that were running for political office. Of course, we all know that if you had no opposition you're name is not in the Primary Election, but there was a confusion factor when people went to the polls and I'm hoping the committee, I don't know if the committee experienced any of this or not, but I know I have experienced a lot of that the people want to see the candidates name on there in the Primary not just...

Chairman Pro-Tem Gatsas stated I understand where you're coming from and I can appreciate that is. The problem is let's assume for a second that in the Aldermen At-Large position you only have four people that are going. That means that those four people are going to appear on the ballot and you're suggesting that in the Primary, not that you're suggesting, but I would assume that people are going to cast a vote. Even though that vote really doesn't mean anything until the General Election.

Alderman Lopez replied correct. It is just like two Aldermen, one Alderman running and they are going to get the votes in the Primary or two Aldermen running and one gets more votes than the other, it doesn't matter either. Only the point that I'm making is that people are so used to going to the polls in the Primary and a lot of people go there to vote for the candidate that they want and with being on the Charter Commission, which I instituted part of the nine Commissioners to do away with it, thinking that it would serve a great purpose. A purpose is that you do not have to spend as much money if you don't have opposition, but it's confusing to the voter who really wants to vote because of the publicity

Chairman Pro-Tem Gatsas stated I can tell you that it's going to cost candidates a heck of a lot more money because if Alderman Osborne beats Alderman Lopez by two votes and Alderman Gatsas by three, there's going to be an awful lot of spending of money to try and achieve the additional votes that you need in an election. Again, it depends on...I hear what you're saying, I can appreciate where you're going, but I can see it as being an added expense if you've got four people and everybody is vying for a position and this money being spent.

Alderman Lopez stated on the other amendment if you want to discuss it a little bit more. You bring up a good point. It's just that I'm looking out for the people that go vote.

Chairman Pro-Tem Gatsas stated Alderman, I don't disagree with you because I hear the same. Now whether you place both names on the ballot and don't have them have an opportunity to vote...

Alderman Lopez stated maybe we can ask the City Clerk for any comments in reference to the voting. Did you have many complaints understanding when people went there to vote or is it more work?

Deputy City Clerk Johnson asked in terms of a Primary [Election]?

Alderman Lopez answered yes.

Deputy City Clerk Johnson answered we do receive calls from people...there is some confusion by the voters who expect to go to the polls and find names on the ballot. In terms of work, we're producing the ballot anyway. If you have more candidates than two for an Aldermanic office or four for an Alderman At-Large or School Board, those names would have to appear on the ballot anyway, so you really not adding a whole lot to the cost of the ballot. I think it would be a minimal additional cost. I guess I'm understanding both points and I'm not really taking a position on either side of it. Cost wise I don't see it as a major impact, voter wise I think it's less confusing to the voters, but then again, you are inciting more spending probably by campaigns, without a doubt.

On motion of Alderman Lopez moved, duly seconded by Alderman Osborne, it was voted that the City Solicitor work on correct legal terminology for the two amendments to the City Charter that will brought before the full Board.

Deputy City Clerk Johnson stated the Chairman has arrived. Do you want to recognize him to take over the meeting?

Alderman Forest stated my apology gentlemen for being late, but why don't we continue with Alderman Gatsas and I'll just follow along for now. That is the wish of the Chairman.

Chairman Pro-Tem Gatsas stated while we're on that topic I have a question of the Solicitor in regards to a poll standing. Is that an Ordinance or is that a...is that something that we need to send to the voters or is it something that the Board can take up on its own? The reason why I ask this is because there is no question that when people stand at the polls it's because your opponent stands at the polls. If we said there was no poll standing for 300 feet of the polls, I think it would make life very much more comfortable for the voter and allow them to go in and do what they want without having everybody hanging on their neck trying to get that last gasp situation in there. Again, I think it's for the voter having an opportunity because sometimes you walk into these wards and it's a feeling of walking into a gauntlet.

Alderman Osborne stated I'd like to also see the signs in front of the polls. I think I'd like to move them out 300 feet as well. Nothing in front of the polls at all. I think signs are very distracting, I think they're annoying, and there's no need for them right in front of the polls. You've got enough signs out on lots and everything else. Ninety percent of the people that go out to vote know who they are voting for anyway. You might get a couple of stragglers, but not enough to win. I'd like to see the signs away from the polls as well.

Alderman Forest stated I have a comment on that also and I think we all agree that people with signs are a pain. Tom is there anything we as a committee can suggest through you or through a motion? Because I know I've questioned it in my ward and I know all of the Aldermen have questioned it in their ward, and the answer I always get is that it is up to the ward Moderator. There is no real conformity to where the signs are, where the people are, and everything else. Is there anything we can do as a Board?

Chairman Pro-Tem Gatsas stated that's not true. There's an Ordinance.

Alderman Forest asked is that mainly enforcement then?

Deputy City Solicitor answered what I would suggest is the State laws in this area have changed over the years. I would want to research the State statutes to make sure that anything here suggested in not in conflict with those State statutes and then come back.

Chairman Pro-Tem Gatsas asked what about local control? The State does not intervene in that?

Alderman Osborne stated I think we're talking local here only.

Alderman Forest stated I think we're talking more than just the signs at the polls. These candidates come in; not only local candidates, but also we have the problem with the Presidential candidates. They violate all of the City Ordinances and the process that we have to go through in order to get the signs off and everything else, you have to call the Building Department, you have to call the Highway Department. They all have to get together to get a sign off a pole, and it's never enforced and I think in all of the years that I've been holding signs and putting signs, I think this is the worst we've seen.

Mr. Arnold stated obviously if there aren't any State statutes, or for that matter, Federal laws that would prevent it, you probably could do it by Ordinance but I'm reluctant to say that because again, would want to examine the State statutes and Federal law more closely. Particularly in light of the First Amendment issue to make sure that if we were to take some action it would be enforceable.

Alderman Lopez stated I know when I was a Ward Clerk and it continues today and the comment is, if you guys don't move back 50 feet according to the Ordinance, that's what people say all of the times at the polls. And I know when I worked at Ward 10 it was the same thing. And I know Goffstown nobody stands at the polls because you have to be way out in the street. I think the intent is, and I think the feeling is, and I concur with people standing at the polls, it's just enormous and like a gauntlet and people don't want it. I've talked to many a people and they would as soon not see anybody there, let them go vote, they know who they are going to vote for, and it's just a lot of manpower standing there for nothing. I don't think any sign or people standing there changes anybody's mind when they go into vote. What kind of guidance, Mr. Chairman, would we want to give the City Solicitor to move forward on it?

Deputy City Clerk Johnson stated Mr. Chairman. Because our office is in charge of elections, I guess I'm sitting here listening to the discussion, I think I understand where the committee is going and what the concern are, but I would prefer to do is to pull out specific areas of statutory requirements, bring those to the committee, and then have a discussion with the committee about what we could do on local control and what is out of local control. And perhaps that could be changed by statute or maybe you need to lobby further up the ladder, but I would rather do the research and bring it back to you and say here are the laws that control it, this is what you could do, this is what we can't do, but our office can get together with the Solicitor's office and bring you a package for the next time you meet. From my understanding if we're dealing both with signage and polling.

Chairman Pro-Tem Gatsas relinquished the Chairmanship to Alderman Forest.

On motion of Alderman Osborne, duly seconded by Alderman Gatsas, it was voted to table this item and refer it to the City Clerk and the City Solicitor and come back with a report of the specific information.

Chairman Forest addressed Item 5 of the agenda:

Communication from Ron Ludwig, Director of Parks, Recreation and Cemetery requesting that the fee be waived for the fair license for the City's Independence Day celebrations at Arms Park on Saturday, July 3, 2004 with a rain date of Monday, July 5, 2004.

On motion of Alderman Osborne, duly seconded by Alderman Gatsas, it was voted to approve this item.

Chairman Forest addressed Item 6 of the agenda:

Communication from Ms. Cecilia Lacasse relative to the increase in basic cable rates.

On motion of Alderman Lopez, duly seconded by Alderman Osborne, it was voted that the communication be referred to the City Solicitor for response to Ms. Lacasse.

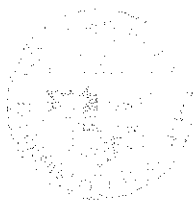
TABLED ITEMS

7. Communication from Diane Prew, Information Systems, advising that the Mail Operation Committee met to review the proposals and as a result a new proposal from Pitney Bowes was received that the Committee will be meeting shortly to review.

This item remained on the table.

On motion of Alderman Lopez, duly seconded by Alderman Gatsas, it was voted to remove this Item 8 from the table.

8. Communication from Hector Velez requesting permission to encumber the sidewalk in front of his business on 370 Union Street for sales, subject to meeting any other requirements of the City's Code.



CITY OF MANCHESTER
Office of the City Clerk



Leo R. Bernier
City Clerk

Carol A. Johnson
Deputy City Clerk

Paula L-Kang
Deputy Clerk
Administrative Services

Matthew Normand
Deputy Clerk
Licensing & Facilities

Patricia Piecuch
Deputy Clerk
Financial Administration

Memo To: Mayor Robert Baines

From: C. Johnson
Deputy City Clerk

Date: February 19, 2004

Re: Financial Restructuring/Department choices

The Committee on Administration has requested that you appoint two departments to participate in a pilot financial restructuring which they understand you originally proposed.

Initially the City Clerk's office and the Economic Development office had volunteered to participate. However, the Committee felt that two departments of similar size should be chosen. Formerly, there was discussion of utilizing larger departments. Presently there are no other volunteers to participate in the project.

The Committee therefore suggests that you choose two departments and advise the department heads that you wish them to participate. Please advise the Committee of your choices. The next meeting of the Committee is tentatively scheduled for March 15th.

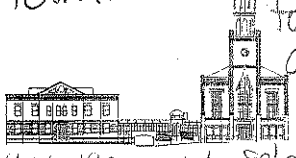
Should you have any questions regarding the process taken to date, I am sure Kevin Dillon would be happy to update you.

C: Kevin Dillon
Committee File



CITY OF MANCHESTER
Office of the City Clerk

Admin Restruct. Comm
for test
dept.
rec.
2/18/04 - Mayor to select the
depts. to
participate



Leo R. Bernier
City Clerk

Carol A. Johnson
Deputy City Clerk

Paula L-Kang
Deputy Clerk
Administrative Services

Matthew Normand
Deputy Clerk
Licensing & Facilities

Patricia Piecuch
Deputy Clerk
Financial Administration

MEMORANDUM

To: Kevin Dillon, Airport Director

From: Lisa Thibault, City Clerk's Office *Lisa*

Date: September 4, 2003

Subject: Financial Restructuring

Enclosed for your records is a copy of your communication regarding the above referenced reflecting action by the Board of Mayor and Aldermen to adopt recommendations one and two and to refer the whole issue to the Committee on Administration.

Enclosure



Manchester Airport
One Airport Road
Suite 300
Manchester, NH
03103-3395
Tel: 603-624-6539
Fax: 603-666-4101
<http://www.flymanchester.com>

Kevin A. Dillon
Airport Director

30 July 2003

Honorable Board of Mayor and Aldermen
City of Manchester
One City Hall Plaza
Manchester, NH 03101

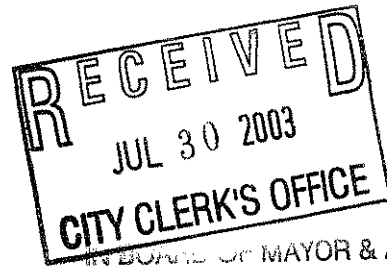
Dear Honorable Board:

During the past few months, a committee of department heads has been reviewing the financial management structure of the City's general fund departments to determine if there are greater efficiencies that can be realized from restructuring or realignment. This effort was undertaken at the request of the Mayor and in response to the Mayor's Select Committee on Finance Report (copy attached). The Department Head Committee's charge was to determine if financial restructuring or realignment should be pursued.

The Department Head Committee effort was initiated with a consultation session where all Department Heads were invited to participate. Most departments were represented at this meeting. From that session, a committee of Department Heads was formed to further review the issue. This Committee consists of Tom Clark; Kevin Clougherty; Kevin Dillon; Joseph Kane, Virginia Lamberton; Robert MacKenzie, Diane Prew, Fred Rusczyk and Frank Thomas.

As a result of its deliberations, the Committee has reached a general consensus that the concept of financial realignment or restructuring may lead to greater efficiencies in the financial management of City general fund departments. This greater efficiency is defined as "the delivery of optimum financial services in the most effective manner." This efficiency may or may not result in cost savings. However, the goal of restructuring should be first and foremost, the enhancement of City department services to the public. In this regard, the Committee believes it is good business practice to move forward with a limited restructuring effort. While the Committee believes that the concept of financial restructuring or alignment in City general fund departments may have merit and should be further considered and pursued, there are a number of important considerations that must be addressed.

First, is the fact that each department has unique needs and characteristics. For example, the financial needs of the Planning Department with its handling of the CIP



IN BOARD OF MAYOR & ALDERMEN

DATE: September 2, 2003

ON MOTION OF ALD. Forest

SECONDED BY ALD. DeVries

adopt recommendations 1
VOTED TO and 2 and refer whole

issue to the Committee
on
CITY CLERK

10

Program are significantly different than the financial needs of the Economic Development Department. Each department has its own unique needs for financial information that is typically driven by its own unique responsibilities and mission.

The Committee's review of this issue showed that it is apparent that a one-size-fits-all approach to financial restructuring would most likely result in failure. Accordingly, before any financial restructuring or realignment proposal can move forward, the individual needs of each department needs to be considered and addressed. Each individual financial function needs to be reviewed, department by department, to determine if it would lend itself to restructuring.

It may, therefore, be prudent to test restructuring on a limited basis in one or two departments before proceeding further. This would allow the concept to be tested while addressing the participating departments' individual needs. If successful, this approach could serve as the template for restructuring the financial structure of other City departments, one-by-one, on an individualized basis and in an orderly fashion.

Another concern that needs to be addressed before financial restructuring can proceed, is the overall issue of pinpointing responsibilities as it relates to departmental finances. A clear statement as to who holds the financial responsibility for departmental finances needs to be developed and adopted by the Board of Mayor and Aldermen. If Department Heads are going to be held accountable for the overall performance of their departments, that performance has to necessarily include financial performance. Yet, under a financial restructuring initiative, responsibility for certain aspects of financial oversight may be shifted away from the department, making lines of authority and responsibility unclear. It would, therefore, be prudent for the City to issue a very clear statement of authority and responsibility detailing roles and responsibilities. This statement should address the Department Head's obligation to be responsible for overall management of their respective department, while at the same time acknowledging the Finance Officer's responsibility for financial process management. In any event, a clear understanding of roles and responsibilities, as well as the financial functions that will remain under departmental control and those that will not, needs to be delineated before any restructuring proposal can proceed.

Another significant issue that needs to be addressed before financial reorganization can be initiated is the apparent distrust that exists between the Finance Department and other City departments. This distrust, if not resolved, will most likely result in the failure of any restructuring proposal.

It appears that departmental mistrust is rooted in the awkward relationship that exists between the Finance Department and other departments as a result of the Finance Officer being responsible for both financial accounting, as well as the City internal auditing functions. In addition to being a poor financial management practice, the dual role of the finance officer has interfered with the development of appropriate relationships between the Finance Department and other City departments. Before any reorganization initiative is undertaken, the issue of the finance officer's dual role should be addressed with an eye toward separating these roles. This

will not only address the issue of how the Finance Department relates to other City departments, but will also address a weakness in the City's financial oversight structure.

Finally, the human resource implications of financial restructuring must be taken into account. It is clear that the success of any initiative will depend greatly on the buy-in of the employees involved in the effort. It will be difficult to obtain that buy-in if there is concern over the future of the employees' position. In view of this, consideration should be given to advising impacted employees that employment security will be protected and that any reduction in the workforce will be achieved through attrition. While employees could not be guaranteed that their individual positions would not change, they would be assured of continued employment. In some cases, those employees who have their existing positions eliminated through restructuring may be transferred to other departments or placed in an employee pool to be used in various City departments until permanent positions become available.

In conclusion, the Committee believes that the concept of financial restructuring may have merit. It is the recommendation of the Committee that a limited test of the concept be initiated. While the issues cited above have been discussed in broad terms, it is inevitable that more specific issues will arise during concept testing. Accordingly, it is also the recommendation of the Committee that it continue on and serve in an oversight and steering committee role charged with resolving all issues that arise during the trial phase of restructuring. Further, the Committee should be tasked with rendering a decision as to the utility of expanding restructuring to other City departments at the completion of initial testing.

If acceptable to the Board, the Committee recommends the following actions, in total, be pursued as a means of advancing the concept of City financial restructuring:

1. Designate one or two departments as test departments for financial reorganization for a six to twelve month period. The Economic Development Department and the City Clerk's Office have volunteered to participate. The Mayor will have the final determination as to which departments will participate.
2. Establish the existing Review Committee as the Steering Committee for the restructuring test. This Committee will resolve all issues that arise during the test and will render a judgment as to the desirability of expanding financial reorganization to other departments.
3. Take the necessary action to remove the internal audit function from the Finance Department.
4. Adopt a Policy Statement that delineates financial roles and responsibilities of the Department Heads and Finance Officer. Such statement should delineate the Department Head's responsibility for the overall management and performance of the Department including financial performance from the Finance Officer's responsibility for financial process management. The Mayor should be designated to resolve all issues regarding roles and responsibilities.

10

5. Adopt a policy dealing with human resource issues that arise during the reorganization initiative. Such policy should include assurances of continued employment and should also detail employee transfer procedures as well as provisions for an excess employee pool.

The Committee will be available to meet with the Board of Mayor and Aldermen at its next regularly scheduled meeting to provide an overview of its recommendations and answer any questions you may have.

Sincerely,

Kevin A. Dillon

for
Department Head Financial
Structure Review Committee

KAD/das

Report
Mayor's Select Committee on Finance Structure
Manchester, New Hampshire
November, 2002

- A. INTRODUCTION - SUMMARY.** The Mayor's Select Committee on Finance Structure (the Committee) was established by Mayor Robert A. Baines in late August 2002. The purpose of the committee was to examine a proposal (the Plan) put forward by the Finance Department regarding the consolidation of financial functions throughout various City departments.

At inception of the Committee's work, the Committee sought to achieve one of three outcomes:

1. Endorse the proposed Plan.
2. Recommend modifications to the Plan and endorse the Plan as modified.
3. Other.

The committee has elected outcome 3, Other.

The Committee does not endorse the Plan as presented, nor, based on information received, can it endorse a modified Plan. It is the Committee's opinion that the stated intent of the Plan, to improve the effectiveness and efficiency in the way financial services are provided and conducted, is a worthy goal. But, due to the process followed in developing and presenting the Plan, it was doomed to failure from the outset. The committee recommends that the Plan be returned to the Finance Department for redevelopment. This recommendation is detailed in Section D of this report.

- B. ISSUES.** At the conclusion of their work, the Committee identified the following problems with the Plan as proposed by the Finance Department:

1. A clear "mission" was not defined and disseminated.
2. The Plan was created in a vacuum.
 - i. Respective department leadership impacted by the Plan was not involved.
 - ii. Human resource support was not involved in developing the Plan.
 - iii. Information technology support was not involved in developing the Plan.
 - iv. There was no buy-in sought for the Plan.
3. There exists a frightening level of distrust between City department leadership and the Finance Department.
4. City department leadership interprets the role of the Finance Department as "audit/investigate" versus "cooperative".
5. Due to the role of the Finance Officer as outlined by the City Charter and City Ordinance, the Finance Department also views their primary role as "audit", rather than service.
6. Unfortunately, a "hit list" of positions to be eliminated or restructured appears to have been circulated prior to the Plan being discussed with department leadership or those individuals involved.
7. How to deal with the human fall out resulting from implementation of the Plan was not addressed in the Plan.

- C. CLARITY OF MISSION.**

1. With regard to the Plan in question:
 - i. A mission statement, developed in conjunction with the Mayor and the Aldermen, should have been adopted at the outset during development of the Plan.
 - ii. Such a statement could read as follows: "It is the responsibility and duty of all department heads and their respective employees to efficiently and effectively

utilize the human and fixed assets at their disposal in delivering services to the Citizens of the City of Manchester.”

2. With regard to consolidation in general:
 - i. Consensus must be arrived at by the BMA with regard to consolidation, on a departmental and functional basis. For example: “It is agreed that departmental and functional consolidation must be examined. Our goal is to achieve greater financial efficiency without reduction of the level of product, service or performance in any department that may be impacted, while insuring the most prudent use of the taxpayers’ money.”

D. ACTION. It is the committee’s opinion that the Plan be returned to the Finance Department for redevelopment.

1. A task force needs to be established.
2. A facilitator should be hired to guide the work of the task force.
3. The task force needs to establish and buy-into the mission.
4. The BMA needs to endorse and support the mission and the work of the task force.
5. At minimum, all department heads that may be impacted by the Plan need to be represented on the task force.
6. Human Resources, Information Technology, and City Solicitor should be expected to provide support to the task force and be represented on the task force.
7. The task force should review the Plan and modify as appropriate.
 - i. Dealing with human resource issues such as reassignments, retraining and the elimination of jobs must be part of the plan.
8. Human Resources, with the cooperation of the respective department leadership, would conduct job/function reviews to determine the human impact of the plan and whether or not the plan can be implemented as proposed/modified.
9. Information Technology needs to determine the hard cost relating to IT in the plan.
10. Human Resources and Finance must quantify the Plan.
11. The task force provides final endorsement of the Plan and the savings involved.
12. The plan is presented and endorsed by the appropriate legislative process.
13. Action and implementation of the Plan.

E. OTHER ISSUES.

1. While financial restructuring may be a worthy objective, the Committee cannot quantify or qualify this objective based on the materials presented or the presentations heard. It is likely that there are cost reductions and operating efficiencies to be realized, but again, quantifying these results requires a great deal more study, as described in D above.
2. The internal audit function should be separated from the Finance Department and the Finance Officer. This function should report directly to the Mayor. There may be other alternatives to explore but the function should NOT report to the Finance Officer or the Finance Department.
3. The Finance Department is a service department. This posture would be more easily achieved once the audit function is separated from the Finance Officer.

DRAFT

4. It must be made clear and agreed upon that the Finance Officer reports to the Mayor, who is the Chief Executive Officer of the City. This fact is addressed in the City Charter and City Ordinances, clearly supported by the opinion of the City Solicitor, which has been documented in correspondence to the Mayor. The committee recognizes that the Finance Officer also has reporting responsibility to the Board of Mayor and Aldermen, but this in no way overshadows or minimizes the Finance Officer's responsibility to the Mayor. Currently, the Finance Officer believes he is responsible to the BMA only and not to the Mayor. If the opinion of the City Solicitor needs to be reinforced by amendment to the City Charter or additional City Ordinance(s), this should be pursued. It must be clearly understood that the Finance Officer is the CFO of the City, reports to the Mayor, and is responsible and accountable for the overall financial function of the City, including budgeting, financial reporting and long-range financial planning.
5. The City and School budgets total \$230,100,977 in spending. Of this amount, approximately 67% is related to payroll and benefits. Each percentage point of savings translates to \$1,550,957. If the City is to realize real savings in operations and achieve fundamental change in the way taxes are controlled, payroll and benefits are the obvious first place to examine.
6. Establishing an objective to put a plan in place that will save 2%, 5% or 10% of the annual payroll and benefits, providing meaningful savings and benefit to the taxpayers is attacking a fundamental problem we face as a city, limited resources. Focusing on one small portion or aspect of the City's overall operation, such as the financial function is merely applying a band-aid to the fundamental problem.
7. As mentioned earlier, there is a high level of distrust between existing department leadership and the leadership of the Finance Department. It is questionable whether the necessary level of trust can be established between these individuals that will allow them to develop and implement the Plan or any other level of departmental/functional restructuring.

The members of the Committee would be pleased to further review the matters discussed in this report at your convenience. Also, we appreciate the opportunity to be of service to you, the Aldermen, the City's employees, and the citizens of Manchester.

Respectfully,

Raymond E. Pinard
Committee Chair

Enclosure


DRAFT



CITY OF MANCHESTER

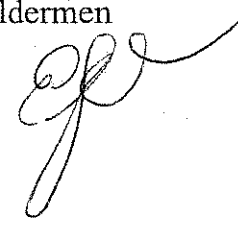
Board of Aldermen

Pending review of
management ltr.
4/19/04 - " "
6/14/04 - " "



MEMORANDUM

To: Board of Mayor and Aldermen

From: Alderman Ed Osborne 

Date: February 10, 2004

Re: Contract Administration

During discussions with the Auditor at the Committee on Accounts meeting on February 9th, concerns were presented regarding our contract administration.

I would like to have this issue referred to the Committee on Administration for review and recommendation to the Board of Mayor and Aldermen. It is my belief that at the very least all contracts should be reviewed by the City Solicitor. I also believe there should be a repository for all contracts.

C: City Solicitor
Finance Officer

BOARD OF MAYOR & ALDERMEN

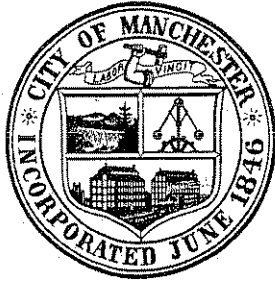
DATE: February 17, 2004

ON MOTION OF ALD. Osborne

SECONDED BY ALD. Lopez

refer to the Committee on
VOTED TO Administration/Info. Systems.


CITY CLERK



**City of Manchester
Department of Finance**

One City Hall Plaza
Manchester, New Hampshire 03101
Phone: (603) 624-6460
Fax: (603) 624-6549

February 4, 2004

Alderman George Smith
C/o Office of the City Clerk
One City Hall plaza
Manchester, NH 03101

Dear Alderman Smith,

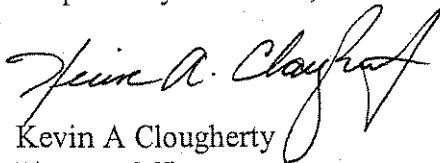
Enclosed are copies of the DRAFT Fiscal Year 2003 Comprehensive Annual Financial Report (CAFR). The City's external auditor's McGladrey and Pullen LLC will be formally presenting the final report on Monday evening before the Aldermanic Committee on Accounts, Enrollment and Revenue Administration.

Also enclosed is a DRAFT Management Letter prepared by McGladrey along with the Finance Officer's response. The Management Letter has been shared with City Department Heads (copy of transmittal letter enclosed), and department responses to date have also been provided.

These DRAFT reports will serve as the basis for the meeting Monday night. I do not expect any significant changes between the DRAFT CAFR or DRAFT Management Letter and the final reports presented to the Committee on Monday.

Needless to say, the CAFR and Management Letter both reflect very positively on the City's internal controls and financial position.

Respectfully submitted,


Kevin A Clougherty
Finance Officer

Cc: Mayor Robert A. Baines
Scott Bassett

DRAFT

Board of Mayor and Aldermen
City of Manchester, New Hampshire

During the course of our audit of the basic financial statements of the City of Manchester, New Hampshire as of and for the year ended June 30, 2003, certain observations were made by our engagement team which may be of interest to you. These observations are as follows:

1) Contract Compliance Officer

Observation:

The City, aside from the Manchester Airport, does not have an individual who is responsible for maintaining and overseeing its various long-term contracts. Contract compliance is currently the responsibility of the various department heads or project managers assigned to a project. These individuals may have backgrounds in fields such as engineering or information technology which provide them with the knowledge to oversee portions of the projects, but generally these individuals will not have the expertise needed to properly administrate the contract itself.

In addition, the City does not have written policies and procedures regarding contract monitoring, periodic inspections, progress reporting, appropriations, change orders and progress payment approvals.

Recommendation:

Because contract compliance can be complicated from both a legal (prevailing wage rates/Davis Bacon Act, encouragement of women and minority owned businesses, etc.) and administrative (competitive bids, project appropriations, performance bonds, change orders, retainage, progress payments, state and Federal reporting, project close-out, etc.) standpoints, the City should consider hiring or designating an individual the responsibility of providing oversight for all large and long-term contracts the City enters into. This individual will also serve as the repository for the executed copies of all contracts and would periodically inspect the projects (with input from individuals with functional expertise such as architects, engineers, etc.) to ensure the projects are progressing as required.

This individual should also be responsible for overseeing the development of written policies and procedures to assist in contract compliance oversight.

2) **Departmental Cash Receipts**

Observation:

Non-tax revenue is collected at various locations throughout the City. The information associated with these receipts is maintained in each department by means of nonintegrated, stand-alone computer applications or manual accounting records. The variety of formats for maintaining subsidiary receivables and receipts data throughout the City in combination with the relative inaccessibility of this information limits the Finance Department's ability to ensure the accuracy and completeness of its receivables and revenues information.

Recommendation:

The City should consider designing a system to account for non-tax revenue information in an integrated manner on a real-time basis. The use of cash registers integrated into the City's financial reporting system or the use of cash receipts module linked to computers in certain departments that handle a large volume of cash receipts can help this process.

3) **Observation:**

Throughout various departments in the City, there was an inadequate segregation of duties in the purchasing function. In many instances, the same person was responsible for requisitioning goods, approving the purchase, receiving the goods, ensuring adequate funds exist in the budget and posting to the G/L.

Recommendation:

Internal control over purchases ordinarily requires a separation of duties between the purchasing requisition function, the person approving the invoice for payment and the person posting to the general ledger. This ensures proper monitoring of expenditures. The City may also consider centralizing its purchasing function to further strengthen internal control.

This report is intended solely for the information and use of the members of the Board of Mayor and Aldermen, the City Manager and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

New Haven, Connecticut
October 29, 2003



**City of Manchester
Department of Finance**

One City Hall Plaza
Manchester, New Hampshire 03101
(603) 624-6460
(603) 624-6549 Fax

MEMORANDUM

Date: 1/26/2004

To: Department Heads

From: Kevin Clougherty

RE: FY2003 Management Letter

CC:

Department Heads:

On Monday, February 9th the Aldermanic Committee on Accounts Enrollment and Revenue Administration will be meeting with the City's external auditor, McGladrey and Pullen, to receive the FY2003 audit and Management Letter. Attached for your review and comment is a copy of the Management Letter along with a copy of my response to the auditors. Please feel free to offer any comments or suggestions on how the City might better respond to the concerns raised by the auditors.

Please email comments and suggestions to Lisa Sorenson (lsorenso@ci.manchester.nh.us) by closing of business Friday, February 6th, so that they may be copied for the Committee.

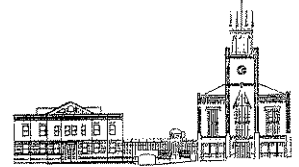
Thanks,

Kevin A. Clougherty



CITY OF MANCHESTER

Office of the City Clerk



Leo R. Bernier
City Clerk

Carol A. Johnson
Deputy City Clerk

Paula L-Kang
Deputy Clerk
Administrative Services

Matthew Normand
Deputy Clerk
Licensing & Facilities

Patricia Piecuch
Deputy Clerk
Financial Administration

February 4, 2004

George Smith, Chairman
Committee on Accounts, Enrollment
and Revenue Administration
c/o Office of the City Clerk
One City Hall Plaza
Manchester, NH 03101

RE: Response to FY2003 Management Letter

Dear Mr. Chairman and Committee Members:

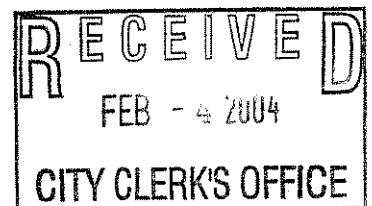
With respect to non-tax revenue, the City Clerk's Office has unique applications that have been designed by the Information Systems Department as well as a State program for Vital Records. Per State statutes, some receipts received in our office require us to track fees that need to be paid to the State of New Hampshire. Our office makes daily deposits, does daily cash receipting and keeps accurate records for proper distribution to general ledger accounts and processing of State fees. Our office would like to see more of an integrated cash receipting system so long as it would be able to incorporate all programs that are utilized in the office, as it would be inefficient to maintain two separate systems.

In a previous audit recommendation regarding separation of duties, our office has already implemented changes so that the individual approving any invoices (i.e. A900's) are not involved in the purchasing, receiving or posting to the general ledger. If the City were to move to centralized purchasing, individual departments may be required to still make purchases relating to their special needs (i.e. printing of ballots, inauguration costs, etc.).

If you have any questions, please contact me at 624-6473.

Sincerely,

Leo R. Bernier
City Clerk





**City of Manchester
Department of Finance**

One City Hall Plaza
Manchester, New Hampshire 03101
Phone: (603) 624-6460
Fax: (603) 624-6549

January 26, 2004

Alderman George Smith
C/o Office of the City Clerk
One City Hall plaza
Manchester, NH 03101

Dear Alderman Smith,

This letter is submitted as a formal response to the Management Letter prepared by the City's external auditors at McGladrey & Pullen, LLP for the period ending June 30, 2003. (See attached)

- 1) Contract Compliance Officer: The Finance Department concurs with this recommendation. This recommendation has been included in previous Management Letters. The Finance Department again recommends that the Board of Mayor and Alderman refer this item to the Human Resources Committee for implementation.
- 2) Non-tax Revenue: The Finance Department also agrees with this audit recommendation. The observation also has been included in previous Management Letters. The Finance Department recommends that this item be referred to the Committee on Administration so that an implementation strategy can be developed with the Information Systems Department and affected departments.
- 3) Segregation of Duties: The Finance Department agrees with the recommendation, which is also a repeat recommendation from previous Management Letters. The Finance Department has recommended the implementation of a centralized accounting / administrative function to address this concern.

A copy of the Management Letter along with this response has been shared with all city departments soliciting comments and recommendations. Copies of their response are attached.

Respectfully submitted,

Kevin A Clougherty
Finance Officer

Cc: Mayor Robert A. Baines
City Clerk



**City of Manchester
Department of Highways**

227 Maple Street
Manchester, New Hampshire 03103-5596
(603) 624-6444 Fax # (603) 624-6487

Commission

James E. Connolly, Jr.
- Chairman
Henry R. Bourgeois
William F. Kelley
Edward J. Beleski
Peter Favreau

Frank C. Thomas, P.E.
Public Works Director

Kevin A. Sheppard, P.E.
Deputy Public Works Director

February 4, 2004
#04-009

Honorable Committee of Accounts, Enrollment and Revenue Administration
c/o City Clerk's Office
One City Hall Plaza,
Manchester, New Hampshire 03101

Attn: Alderman George W. Smith, Chmn.

Re: *FY 2003 Management Letter*

Dear Alderman Smith and Committee Members:

I disagree with the recommendation that the City needs a Contract Compliance Officer. If funds are allocated to a department and the department utilizes these funds to enter into a contract, the department should be completely responsible for managing both the expenditure of these funds and the contract. If the department cannot properly administer a contract, whether short term or long term, then the department head is not doing his job and should be held accountable. A Contract Compliance Officer will just add another layer of approval required before a project goes to construction. Furthermore, who is better qualified to administer/inspect a contract, the engineer who designed it or a clerical type person in another department? I as the department head am ultimately responsible for administering project funding and contract compliance. In accomplishing this responsibility, I have assigned each project manager the sole responsibility of administering each project from beginning to end. These project managers are responsible to me and I am responsible to the Mayor. If my project managers or I need assistance in carrying out these responsibilities, we have the Finance Department to provide supporting services. Lastly, I am not aware that this is a major problem with departments in the City, are there only a few isolated examples of these problems that possibly should be addressed individually?

February 4, 2004
Pg. (2)

I also don't believe there is a citywide problem with the segregation of duties in the purchasing function. This has been an important issue in my Department for well over 15 years and I believe that we have adequately addressed this issue. I further believe that this is also the case in most of the larger departments. In a smaller department, the segregation of duties is sometime difficult due to limited staff. The attached write-up from Cornell University notes that in the case of a small operation, management must take a more active role by checking the work of others. Again, the department head must be responsible for providing the proper controls in his department, whether it's a large or small operation.

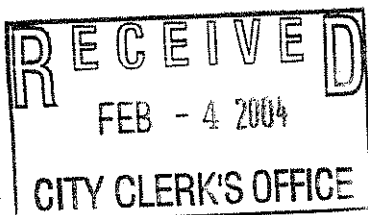
I will be available to answer any questions pertaining to my thoughts on these issues.

Very truly yours,



Frank C. Thomas, P.E.
Public Works Director

/c



Improper Segregation of Duties

Segregation of duties is an internal control intended to prevent or decrease the occurrence of innocent errors or intentional fraud. This is done by ensuring that no single individual has control over all phases of a transaction.

There are four general categories of duties: authorization, custody, record keeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities. The more negotiable the asset, the greater the need for proper segregation of duties - especially when dealing with cash, negotiable checks and inventories.

We often think of cash handling as the place where segregation of duties is most important, because cash is a highly liquid asset. This means that it is easy to take money and spend it without leaving a trail of where it went. Any department that accepts funds, has access to accounting records, or has control over any type of asset should be concerned with segregation of duties.

Some examples of incompatible duties are:

- Authorizing a transaction, receiving and maintaining custody of the asset that resulted from the transaction.
- Receiving checks (payment on account) and approving write-offs.
- Depositing cash and reconciling bank statements.
- Approving time cards and having custody of pay checks.

Separation of duties will only limit problems stemming from incompatible duties. It is possible, though not likely, that collusion will occur, making control procedures ineffective. Management needs to be aware of relationships (family and friends) and be alert to the possibility of collusion.

Also, in a small operation, it is not always possible to have enough staff to properly segregate duties. In those cases, management may need to take a more active role to achieve separation of duties, by checking the work done by others. Sometimes, the knowledge that records will be checked by others is enough to prevent misappropriation of assets.



MANCHESTER WATER WORKS

281 LINCOLN ST., MANCHESTER, NEW HAMPSHIRE 03103-5093 Tel. (603) 624-6494

BOARD OF WATER COMMISSIONERS

C. ARTHUR SOUCY
President

RAYMOND W. PROVENCHER
Clerk

DONALD P. COUTURIER
JAMES W. CRAIG
PATRICIA H. CORNELL
RICHARD M. BUNKER

Ex Officio
HON. ROBERT A. BAINES
Mayor

THOMAS M. BOWEN, P.E.
Director and Chief Engineer

ROBERT BEAURIVAGE, P.E.
Asst. Director

February 3, 2004

Alderman George Smith
C/o Office of the City Clerk
One City Hall plaza
Manchester, NH 03101

Dear Alderman Smith:

This letter is submitted by the Manchester Water Works (MWW) in response to the Management Letter prepared by the City's external auditors at McGladrey & Pullen, LLP for the period ending June 30, 2003.

- 1) Contract Compliance Officer: The Water Department oversees long-term contracts utilizing both in-house engineering and accounting professionals and experienced outside consultants. Contract administration is at present appropriately included in the job duties of MWW's 3 Division level managers. For projects of the scale of our \$28M Water Treatment Plant Renovations Project, MWW has both a full-time employee and outside consultant (Camp, Dresser and McKee) maintaining oversight of this 25-month Project. Finally, all contracts are reviewed monthly by MWW Financial Administrator, as well as, the Director and Assistant Director. MWW believes that sufficient oversight is currently achieved.
- 2) Non-tax Revenue: MWW has no opinion on this recommendation. MWW, however, currently collects 99% of its cash receipts through the City's Lockbox and integrated HTE Cash Receipts System. Miscellaneous cash receipts collected at MWW "over the counter" constitute a minimal level of cash receipt activity.
- 3) Segregation of Duties: MWW agrees that a separation of duties is necessary for proper control of the purchasing function but does not feel that centralized purchasing is needed to accomplish this. MWW currently maintains proper segregation of duties in the requisition, purchasing, receiving and posting functions in the purchasing of goods and services.

Should you have any questions concerning the above, please feel free to contact me and MWW staff would be happy to discuss them with you.

Respectfully Submitted,

Thomas M. Bowen, P.E.
Director

cc: Mayor Robert A. Baines
City Clerk
Philip Croasdale, Water Financial Administrator
Kevin Clougherty, City Finance Officer

